

Testimony of Andrew I. Huff
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SB 375

Chairman, members of the Senate Judiciary Committee:

My name is Andrew Huff, chief legal counsel for the Office of the Governor. I come before you today in strong support of SB 375, sponsored by Senator Peterson.

Since the 2010 decision of the United States Supreme Court in *Citizens' United*, the amount of money put into national and state political campaigns has skyrocketed. During this last election cycle, various organizations spent enormous sums of money in Montana. While many of these organizations fully complied with Montana's current reporting and disclosure requirements, so-called "dark money" groups were active as well. These groups spend their money on mailers and other types of communications in the hopes of determining the outcome of elections, but refuse to say who is funding them. Without this information, it is difficult if not impossible for voters to judge the materials they are receiving or to determine whether these groups are in compliance with Montana's laws concerning contribution limits, as well as disclosure and reporting requirements.

SB 375 takes these groups out of the shadows and puts them back in the sunlight where they belong. First, it ensures that these groups cannot evade Montana's disclosure laws by claiming that their mailers and communications are merely educational rather than political. SB 375 captures all of the political mailers and other communications you may receive concerning candidates or ballot issues during an election cycle.

Second, SB 375 requires that those who create and disseminate those political mailers and communications be subject to more stringent disclosure requirements than currently exist. Under current law, these groups typically disclose only the expenditures they make in Montana, and they disclose nothing concerning their contributors. Some groups claim that they need not disclose anything at all. Under the bill, dark money organizations will either have to disclose all of their expenditures and contributions made or received for political purposes in Montana, or they will have to disclose all of their expenditures and top contributors.

Third, SB 375 prohibits corporate or union contributions to candidates. The bill maintains Montana's long tradition of keeping corporate money out of the campaign coffers of candidates. It further requires that when corporations or unions make expenditures independent of the candidates, they are subject to disclosure on the same basis as other incidental political committees and must further certify that their board has approved of these expenditures. This

ensures that when corporations and unions spend on politics in Montana, their activity is transparent and accountable to their shareholders, their members, and to the public.

SB 375 increases the capacity of the Commissioner's Office to enforce the law. Under current law, the fines the Commissioner wins from successful enforcement actions go directly into the general fund. Under SB 375, fines are increased and half of the funds will now go to the Commissioner's Office for enforcement purposes. More needs to be done to increase the enforcement capacity of the Commissioner's Office, but SB 375 is an important starting point.

Finally, SB 375 changes Montana's contribution limits. It increases some limits and decreases others. The bill proposes modest increases in limits that apply to contributions from individuals and political committees, and eliminates the aggregate cap that state senate and house candidates can receive from political committees. The bill also increases political party contribution limits to statewide candidates other than the Governor and the Lt. Governor, and the political party limits in state senate and house races. The bill decreases the contribution limit from political parties to the Governor and Lt. Governor, and to Public Service Commission candidates. Montana's contribution limits have twice been challenged in the courts, and have so far survived those challenges. But in order to avoid the disruption caused by litigating these limits during elections, it is better that the people of Montana, through their elected representatives, make changes which will make these challenges less likely.

Senator Peterson and Governor Bullock are absolutely committed to maintaining the integrity of Montana's citizen democracy. SB 375, the most comprehensive campaign finance bill this session, gives voters the tools they need to ensure Montana's elections remain transparent and accountable. I ask for your support.